

THE CLINTON VISIT

\$21m reform package, US eases Glenn Amendment

BY OUR CORRESPONDENT

New Delhi, March 21: The United States on Tuesday announced a \$25-million financial institutions reform and expansion programme to provide technical assistance to Indian financial markets, easing the economic sanction imposed by it after India's nuclear tests at Pokhran in 1998.

According to US officials, President Bill Clinton is expected to relax the sanction further during his visit to the subcontinent.

President Clinton has agreed to waive the Glenn Amendment and resume the project keeping in mind the importance of strong capital markets in trade and investment. The programme is funded by the US Agency for International Development. President Clinton imposed sanctions on India under the Glenn Amendment in May 1998. With the announcement of the programme the sanction has been eased for the second time. It was eased earlier in October to lift restrictions placed on some environmental programmes.

India has also agreed to offer enhanced market access to more than \$40 million in US agricultural exports, further boosting economic cooperation.

According to the US government, under the agreement, US exporters will face lower tariffs on items like almonds, orange juice, citrus and other fresh fruits.

In exchange for its tariff cuts on agricultural items of interest to the United States, India would adjust its tariffs on other agricultural products, the US government said. The tariff agreement was negotiated under the umbrella of the World Trade Organisation.



TREE OF HOPE: US President Bill Clinton and his daughter Chelsea smile after the US President planted a sapling at Rajghat, Mahatma Gandhi's samadhi in New Delhi on Tuesday. (PTI)

Banging heads to bring about capital market reforms

Our Mumbai Bureau

MUMBAI 26 MARCH

EXPERTS from India and US today attempted to set an agenda for reforming the capital markets after the end of US President Bill Clinton visit to India.

Leading capital market participants from US and India addressed a seminar on financial sector reforms organised by the Confederation of Indian Industry (CII) here on yesterday.

Frank Wisner, former US Ambassador to India and vice-chairman of AIG, said in his opening remarks that two working groups should be formed to suggest changes in the regulatory framework and financial reforms so that the capital market in India could be strengthened.

These two groups will submit a set of recommendations to the government of the two countries by June 2000.

The Indian bond market was a cause of concern for most of the speakers. Robert Randolph, assistant administrator for USAID, said the Indian bond market lacks transparency and suggested better disclosure norms.

Pratip Kar, executive director,

Sebi, also suggested the development of the bond market for an efficient and vibrant capital market.

The need and scope for further development of long-term capital market, particularly the role that pension funds and insurance companies can play was pointed out by R H Patil, managing Director, National Stock Exchange. Commenting on how the pension and insurance funds can play a role in India, Gary Benanav, chief executive officer, New York Life International, said that large funds can play a major role only after a proper reform of the structure and institutions in the capital market is carried out.

He also suggested the need for transparency, security, clearer accounting practices, good credit rating agencies, and an efficient regulatory structure for this to happen. Gordon Young of Merrill Lynch pointed out that pension and insurance funds are the only viable alternatives for long term infrastructure projects. And a change in the regulations, especially in the bankruptcy laws, was needed for them to operate in India.

E.T.

March 27, 2000

E.T. - March 27, 2000

BHARAT, UNCLE SAM GET PALLY: IT'S PARTNERSHIP TIME AFTER BIG B'S DEPARTURE

Engagement with India will continue

Mayur Shetty

MUMBAI 26 MARCH

US PRESIDENT Bill Clinton's visit to India has set into motion a process of engagement, which is of an enduring nature and will be carried forward by the new administration, former US ambassador to India Frank Wisner has said.

In an interview with ET, Mr Wisner, who is now vice-chairman of US insurer AIG, said: "I feel the President has sent a signal of engagement and creation of a framework of trust. The President's statement is one of enduring effect and will carry on when the new administration comes in."

Mr Wisner said that question of

success of the visit in achieving objectives cannot be answered immediately and the answers to this will have to be looked at over time.

He said the visit was just a beginning of the process of engagement with India. "This is not the finishing tape that we have reached, we have just touched the starting tape," said Wisner.

He said the job of ensuring success would fall on the business community and the people of the



OPTIMISTIC Frank Wisner

two nations. He said that some progress has already been made in the meeting on future of financial sector reforms organised by the Confederation of Indian Industry (CII) and attended by business from both the countries.

Mr Wisner said that the US was reviving the Financial Institution Restructuring and Expansion (FIRE) project, promoted by the US Agency for International Development US AID, which had

assisted reforms in the financial sector in the first phase of reforms.

The second phase of the project had earlier been cancelled as a fallout of the economic sanctions imposed by the US, following India's nuclear tests.

He said the Indian government is talking about the second generation of reforms and the assistant administrator of Aid has said that the FIRE programme is being revived.

Mr Wisner said the agreements that have been reached between the two countries at the government level and the commercial agreements following the US President's visit were indicative of the direction of relationship between the two countries.

Economic Times 3/25/00

Big shots get little as Big B dwells on poverty, education

Our Mumbai Bureau

MUMBAI 24 MARCH

The who's who of Corporate India was there.

Dhirubhai Ambani with his two sons Mukesh and Anil. Almost



the entire Godrej clan, from SP to Adi. The Ruia brothers...The entire financial establishment was there. Reserve Bank governor Bimal Jalan, Sebi chief D R Mehta, UTI and IDBI chairmen P S Subramaniam and GP Gupta.

But if country's commercial capital was looking for a sensex-lifting signal from William Jefferson Clinton, they did not get it, certainly not from his short speech, the last before he leaves Indian skies.

What they did learn was that it took only a little village called Naila in Rajasthan and its enterprising women there, to move the world's

most powerful man. The US president dwelt on the big picture even looked up at the high-domed ceiling of the Bombay Stock Exchange's trading floor, a place where billions of dollars of deals are struck every day.

The brevity of his speech was not surprising given that his tenure as president is running out. He probably knew there was little he could commit himself to for the long-term. So he focussed on his experiences in Naila, and on how the model that he saw there could be "scaled up" to create a powerful matrix of peace and development.

He made a strong case for a one world, 10 to 20 years down the line where it would be difficult for India and the US to exist without one another. "In Silicon Valley alone, there are 750 companies that have been started by Indian Americans. We have seen a transformation of our economy. We have been especially blessed by people from India and indeed from South Asia. I cannot imagine a world for my children which does not include a better

understanding of India."

He made a strong pitch for using infotech to eliminate poverty and bring education to the masses, in India, Latin America, Africa and China. "You have the power to eliminate poverty faster than at any other time in history," he said.

It wasn't so much what he said as how he said it. On view was Clinton the Communicator. Every gesture — the sideways look, the cupping of the face, the movement of the shoulders — was like a cue for the cameras. Now the voice would drop to a near whisper as he spoke of Rwanda and Kosovo, of violence and untold suffering...And then it would soar as he spoke of peace and understanding, of "the best of India that I have seen in the last four days", of a better future.

Standing at the epicenter of India's money-making machine, he spoke of education, of health, of peace. The most modern education material could be delivered to students in villages in remote villages by computers and links.

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